

EXHIBIT 1

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SERGEY LEONTIEV,

Plaintiff,

Case No. 16-cv-3595

-against-

ALEXANDER VARSHAVSKY,

Defendant.

January 5, 2017

9:41 a.m.

Videotaped deposition of
ALEXANDER VARSHAVSKY, taken by Plaintiff,
pursuant to Notice, held at the offices of
Gibson, Dunn & Crutcher LLP, 200 Park
Avenue, New York, New York, before
Sharon Lengel, a Registered Professional
Reporter, Certified Realtime Reporter, and
Notary Public of the State of New York.

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2 A P P E A R A N C E S:

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4 GIBSON, DUNN & CRUTCHER LLP
5 Attorneys for Plaintiff
6 200 Park Avenue
7 New York, New York 10166
8 BY: ROBERT WEIGEL, ESQ.
9 ANDREI MALIKOV, ESQ.
10 ESTER MURDUKHAYEVA, ESQ.

11

12 DEBEVOISE & PLIMPTON LLP
13 Attorneys for Defendant
14 801 Pennsylvania Avenue, N.W.
15 Washington, D.C. 20004
16 BY: SEAN HECKER, ESQ.
17 ALISA MELEKHINA, ESQ.

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ALSO PRESENT:

WAYNE SALINE, Videographer
ROMAN SANIKOV, Interpreter
ALEXANDER KULNEV, ESQ.

* * *

1 **VARSHAVSKY**

2 **Probusinessbank?**

3 A. **Yes.**

4 Q. **Do you know what his role was at**
5 **Probusinessbank?**

6 A. **I think, like, CEO or --**

7 Q. **Okay. Did Mr. Zheleznyak**
8 **have -- was he an officer of Ambika?**

9 A. **I don't know.**

10 Q. **Did he have any position at**
11 **Ambika, to the best of your knowledge?**

12 A. **I have no idea.**

13 Q. **Okay. What business is Ambika**
14 **in?**

15 A. **Before all that happens, I have**
16 **no idea what the business they was in, the**
17 **Ambika was in. But after the -- all this**
18 **happens, I just find out what -- the**
19 **Ambika was offshore company, which belong**
20 **to Zheleznyak and Leontiev.**

21 Q. **Okay.**

22 A. **At that point, I didn't know.**

23 Q. **You said that before all this**
24 **happened.**

25 **Were you referring to the**

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1 **VARSHAVSKY**

2 takeover of the bank and --

3 A. No. Before they stopped paying
4 the interest and repaying the loan.

5 Q. When did that happen?

6 A. In August 2015.

7 Q. Before that, before August 2015,
8 you had no idea what Ambika was?

9 A. Absolutely.

10 Q. Did you do any investigation
11 into Ambika's financial condition before
12 you lent it -- before your company lent it
13 \$19.9 million?

14 A. Me personally, not.

15 Q. Okay. Did anybody -- well,
16 first off, what is -- what is New York
17 Motors Moscow?

18 A. It is the company which sells
19 cars.

20 Q. What is its relationship to
21 Avilon?

22 A. It was re-branding. Before, it
23 was New York Motors Moscow. Then it's
24 Avilon.

25 Q. All right. So New York Motors

1 **VARSHAVSKY**

2 my legal department. I have no idea.

3 Q. Did Mr. Zheleznyak tell you that
4 Ambika had any assets?

5 A. Yes.

6 Q. What assets did Mr. Zheleznyak
7 tell you was Ambika-owned?

8 A. It's the company which buy and
9 sell the blue chips, like investment. And
10 he showed me the list, what they own, what
11 kind of shares from which company.

12 Q. Did Mr. Zheleznyak show you a
13 list of blue chip stocks that they owned
14 in 2008?

15 A. No.

16 Q. Okay. And when the loan was
17 made in 2008, did Mr. Zheleznyak tell you
18 anything about what assets or liabilities
19 Ambika had?

20 A. No. He always was telling me,
21 "Your money is secure. Your money is
22 guarantee. We not keeping the money in
23 Russia. We keeping the money outside of
24 Russia, specifically in London." He
25 mentioned that many times, but not

1 **VARSHAVSKY**

2 **specified.**

3 **(Plaintiff's Exhibit 62, An**
4 **email, Bates AVPE0000472, was hereby**
5 **marked for identification, as of this**
6 **date.)**

7 Q. **Mr. Varshavsky, I've handed you**
8 **a document that was produced by your**
9 **lawyers. It's been translated. Feel free**
10 **to use the Russian or the English.**

11 **Do you see, at the bottom,**
12 **there's an email from Irina Monakhova --**

13 A. **Monakhova.**

14 Q. **Monakhova. Thank you.**

15 **And she is the chief financial**
16 **officer of Avilon; is that correct?**

17 A. **Yes.**

18 Q. **And was she the chief financial**
19 **officer of Avilon in 2008?**

20 A. **Yes.**

21 Q. **Okay. Who is Svetlana Geris?**

22 A. **It's a person who used to work**
23 **at the New York office.**

24 Q. **Okay. And who is Valentina**
25 **Nazanskaya?**

1 **VARSHAVSKY**

2 the loan to Ambika?

3 A. I have no idea.

4 Q. I thought you said previously
5 that Probusinessbank and Ambika were
6 completely unrelated.

7 MR. HECKER: Objection to --

8 Q. Is that correct?

9 MR. HECKER: Objection to form.

10 Mischaracterizes his testimony.

11 A. I know Ambika is offshore
12 company which is not related to the bank.

13 Q. Okay. So do you know why
14 Probusinessbank was negotiating or
15 offering terms for Ambika?

16 A. Because all the terms I was
17 negotiating with Zheleznyak. Zheleznyak
18 negotiated for the both, for the Ambika
19 or -- from -- I don't know the name, but
20 he negotiate from -- for the offshore and
21 for the bank.

22 Q. You didn't know the name of
23 Ambika at the time you negotiated with
24 Mr. Zheleznyak; is that correct?

25 A. Absolutely not.

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CERTIFICATION

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4 I, SHARON LENGEL, a Notary Public for
5 and within the State of New York, do
6 hereby certify:

7 That the witness whose testimony as
8 herein set forth, was duly sworn by me;
9 and that the within transcript is a true
10 record of the testimony given by said
11 witness.

12 I further certify that I am not
13 related to any of the parties to this
14 action by blood or marriage, and that I am
15 in no way interested in the outcome of
16 this matter.

17 IN WITNESS WHEREOF, I have hereunto
18 set my hand this 16th day of January,
19 2017.

20

Sharon Lengel

21

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SHARON LENGEL, RPR, CRR

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